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Workgroup Consultation Response Proforma

CMP447: Removal of designated Strategic Works from cancellation charges/securitisation

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to cusc.team@neso.energy by **5pm** on **04 August 2025**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact sarah.williams@neso.energy or cusc.team@neso.energy

| Respondent details | Please enter your details | |
|--|---|---|
| Respondent name: | Robin Prince | |
| Company name: | Island Green Power | |
| Email address: | Robin.prince@islandgp.com | |
| Phone number: | 07899 438928 | |
| Which best describes your organisation? | <input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input checked="" type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector | <input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other |

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I wish my response to be:

(Please mark the relevant box)

☒ **Non-Confidential** (*this will be shared with industry and the Panel for further consideration*)

☐ **Confidential** (*this will be disclosed to the Authority in full but, unless specified, will not be shared with the Workgroup, Panel or the industry for further consideration*)

For reference the Applicable CUSC (non-charging) Objectives are:

- i. *The efficient discharge by the Licensee of the obligations imposed on it by the Act and by this licence*;*
- ii. *Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;*
- iii. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency **; and*
- iv. *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

* See Electricity System Operator Licence

**The Electricity Regulation referred to in objective (iii) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.

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For reference, the Electricity Balancing Regulation (EBR) Article 3 Objectives and regulatory aspects are:

- a) fostering effective competition, non-discrimination and transparency in balancing markets;*
- b) enhancing efficiency of balancing as well as efficiency of national balancing markets;*
- c) integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;*
- d) contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;*
- e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;*
- f) facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;*
- g) facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.*

What is the EBR?

The Electricity Balancing Regulation (EBR) is a European Network Code introduced by the Third Energy Package European legislation in late 2017.

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The EBR regulation lays down the rules for the integration of balancing markets in Europe, with the objectives of enhancing Europe's security of supply. The EBR aims to do this through harmonisation of electricity balancing rules and facilitating the exchange of balancing resources between European Transmission System Operators (TSOs). Article 18 of the EBR states that TSOs such as the NESO should have terms and conditions developed for balancing services, which are submitted and approved by Ofgem.

Please express your views in the right-hand side of the table below, including your rationale.

| Standard Workgroup Consultation questions | | | | |
|---|---|--|----------|---|
| 1 | Do you believe that the Original Proposal better facilitates the Applicable Objectives versus the current baseline? | <p>Mark the Objectives which you believe the Original solution better facilitates than the current baseline:</p> <table border="1"> <tr> <td>Original</td> <td> <input type="checkbox"/>i <input checked="" type="checkbox"/>ii <input type="checkbox"/>iii <input checked="" type="checkbox"/>iv <input type="checkbox"/>None </td> </tr> </table> <p>By removing the potential barrier to entry this modification allows for greater competition and parity within the market. It also reduces the number of calculations needed before supplying Customers with offers.</p> | Original | <input type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None |
| Original | <input type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input type="checkbox"/> None | | | |
| 2 | Do you support the proposed implementation approach? | <p> <input type="checkbox"/>Yes <input checked="" type="checkbox"/>No </p> <p>The first half of the implementation approach works. However, the second half for those customers with fixed Attributable Works, the implementation approach creates a disadvantage across the market.</p> | | |

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| 3 | Do you have any other comments? | Click or tap here to enter text. |
| 4 | Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider? | <input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section) <input checked="" type="checkbox"/> No Whilst there at a couple of suggestions for the poroposal that could be raised as WACMs. Unfortunately, wo do not have the resource to able to raise a WACM by ourselves. We would be open for other workgroup members to raise a WACM together |
| 5 | Does the draft legal text satisfy the intent of the modification? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The legal definitions must be adjusted further for further clarity on the designated Excepted Works and for allowing a different implementation approach for the 'fix' approach. |
| 6 | Do you agree with the Workgroup's assessment that the modification does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No No further Comments |

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| | conditions held within the Code? | |
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Specific Workgroup Consultation questions

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| 7 | Can you suggest a better definition, than those put forward in the Workgroup Consultation of how Ofgem might exercise its discretion in relation to designation of transmission works? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>One main issue over the course of the last few years in the connections process has been the lack of certainty on most topics. Therefore, any definition for “Excepted Works” must be clear and concise to the point where there is no ambiguity and no bias towards one technology or another or if CMP417 is approved between generation and demand.</p> <p>In my eyes the existing wording introduced under CMP428 as well as the suggested wording through tis modification do not cover this in enough clarity.</p> <p>It is recognised that Ofgem requires the need for discretion on which projects are designated but this should be expressed in a transparent way. It is also within the gift of Ofgem to remove and projects from schemes such as ASTI and LOTI as well as to set up separate funding schemes which would then lead to being out of scope of designation.</p> <p>I have therefore, come up two separate suggestions that the proposer may want to consider as an alternative definition:</p> <ol style="list-style-type: none"> 1. <i>any Construction Works which have been designated as “onshore transmission (reinforcement)” by the Authority in its decision of 19 October 2022 titled ‘Offshore Transmission Network Review: Decision on asset classification’ included in The Company’s ‘Pathway to 2030 (Holistic Network Design)’ report published in July 2022 or in any decisions by the Authority on the classification of assets included in The Company’s ‘Beyond 2030’ report published in March 2024, any Constructions Works designated under the Accelerated Strategic Transmission Investment (ASTI) scheme, any Construction Works designated under the Large Onshore Transmission Investments (LOTI), or otherwise so designated by the Authority;</i> |
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| | | <p>2. <i>any Construction Works so designated by the Authority the list of which to be published by the Authority on an annual basis beginning from the approval of CMP447;</i></p> <p>If NESO decide not to take either of these alternatives forward, whilst IGP does not currently have the resource to raise a WACM we would be open to working with other workgroup members to raising one in partnership.</p> |
| 8 | Can you suggest an alternative approach to adjustment of the 'fix' of the Attributable Works to that in the Original Proposal? | <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>The proposal to keep the rest of the 'fix' in place and only removing the relevant portion is not an acceptable implementation approach for this proposal. If done correctly the CMP447 proposal could reduce the actual Attributable Works for a project by millions of pounds. This could have been the soul driving factor for a customer to have selected to fix their securities.</p> <p>The implementation should, therefore, allow for any existing projects a one-time adjustment to their securitised route. Similar to the one-time implementation approach used in CMP376 of delaying to the connection date to allow realignment with Queue Management Milestones.</p> <p>The suggestion would be along the lines of, NESO would have up to 3 months to implement updated Attributable Works in all contracts, from the Authorities decision and publication of list of designated projects. Customers would then have a single opportunity that within a 3-month period upon receiving the updated offer to with back to</p> |

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| | | actual. With the on-going condition being BAU for Attributable Works. |
| 9 | Do you consider that if works are to be removed from the Attributable works cancellation charge (and therefore not securitised via the Attributable Works component of a Generator's potential cancellation charge), because they are designated as "Excepted", the definition of wider works cancellation charge should be altered so as to remove them from the wider works cancellation charge? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Yes, the Wider Works should also be included in the adjustment based on the designation of Excepted Works. If this was not the case, this would create a bias for those projects where the Construction Works are counted as Attributable Works.</p> |
| 10 | Following on from Question 9, does this require a different modification if so? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>No</p> |

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| 11 | Is it important is it for this solution to be implemented in time for Gate 2 offers being issued? Please explain your rationale. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>This is extremely important. Customers may not accept a Gate 2 offer based on the actual and/or the fixed Attributable Works being too costly and therefore allowing an otherwise deliverable project lapsing into Gate 1, turning it into an un-investable project. Where as if these designated projects were to be implemented within Gate 2 offers, this allows continued investment into viable projects.</p> |